

**MINUTES OF THE
JOINT CAPITAL FACILITIES & ADMINISTRATIVE SERVICES
APPROPRIATIONS SUBCOMMITTEE
MONDAY, FEBRUARY 7, 2005, 2:00 P.M.
RoomW025, West Office Building, State Capitol Complex**

Members Present: Sen. Bill Hickman, Committee Co-Chair
 Rep. D. Gregg Buxton, Committee Co-Chair
 Sen. Mike Dmitrich
 Sen. Peter Knudson
 Pres. John Valentine
 Rep. Roger Barrus
 Rep. Ralph Becker
 Rep. DeMar “Bud” Bowman
 Rep. Stephen Clark
 Rep. Wayne A. Harper
 Rep. Fred R. Hunsaker
 Rep. Brent H. Goodfellow
 Rep. Michael T. Morley

Staff Present: Steve Allred, Fiscal Analyst
 Jonathan Ball, Technology Analyst
 Bonnie Brinton, Committee Secretary

Public Speakers Present: President Ann Millner, Weber State University
 Director Keith Stepan, Division of Facilities Construction and
 Management
 Executive Director D'Arcy Dixon Pignanelli, Department of
 Administrative Services
 Executive Director David Hart, Capitol Preservation Board

A list of visitors and a copy of handouts are filed with the committee minutes.

Co-Chair Buxton called the meeting to order at 2:10 p.m.

1. **MOTION:** Rep. Bowman moved to approve the minutes of January 27 and February 2 and February 3, 2005.

The motion passed unanimously with Co-Chair Hickman, Sen. Knudson, Pres. Valentine, and Reps. Clark and Morley absent for the vote.

2. **Final Actions**

Analyst Steve Allred referred to a packet he has assembled to help members of the Subcommittee with their deliberations.

a. Weber State University Union Building

MOTION: Rep. Goodfellow moved to reconsider the actions of the Subcommittee regarding the Weber State University (WSU) Shepherd Union Building Renovation.

The motion passed unanimously with Co-Chair Hickman, Sen. Knudson, Pres. Valentine and Reps. Clark and Morley absent for the vote.

MOTION: Rep. Goodfellow moved to approve the following intent language regarding the WSU Shepherd Union Building Renovation:

(2) It is the intent of the Legislature that:

(a) the Board of Regents, on behalf of Weber State University, may issue, sell, and deliver revenue bonds or other evidences of indebtedness of Weber State University to borrow money on the credit, revenues, and reserves of Weber State University, other than appropriations of the Legislature, to finance the cost of renovating the Shepherd Union Building;

(b) student fees be used as the primary revenue source for repayment of any obligation created under authority of this Subsection (2);

(c) the bonds or other evidences of indebtedness authorized by this Subsection (2) may provide up to \$20,000,000, together with other amounts necessary to pay costs of issuance, pay capitalized interest, and fund any debt service reserve requirements;

(d) Weber State University may plan, design, and renovate the Shepherd Union Building under the direction of the director of the Division of Facilities Construction and Management unless supervisory authority has been delegated; and

(e) the University may not request state funds for operations and maintenance.

SUBSTITUTE MOTION: Rep. Harper moved to approve the proposed intent language

regarding the WSU Shepherd Union Building Renovation with a change in the amount of authorized funding from \$20,000,000 to \$18,000,000.

Rep. Harper stated that he felt \$18,000,000 represented the cost of the building because \$2,000,000 was programmed for furnishings.

Pres. Ann Millner, WSU, said great scrutiny had been used to determine the amount of the request for funding, and the entire amount is necessary for the construction of the Shepherd Union Building Renovation. The \$2,000,000 for furnishings includes money for technology and computer labs.

The substitute motion failed with Sen. Knudson and Rep. Harper voting for the motion and Pres. Valentine and Reps. Clark and Morley absent for the vote.

The original motion passed unanimously with Pres. Valentine and Reps. Clark and Morley absent for the vote.

b. Non-State Funded Buildings - Intent Language

MOTION: Rep. Goodfellow moved to approve the list of non-state funded buildings including the proposed intent language as outlined by the Analyst. A copy of this list is attached to the minutes.

The motion passed unanimously with Reps. Clark and Morley absent for the vote.

c. Prioritize Recommended Appropriation Increases

Mr. Allred referred to a list of appropriation changes and starting point suggestions. He stated that this list had been put together by the Co-Chairs in consultation with the agencies involved.

MOTION: Rep. Goodfellow moved to reconsider the actions of the Subcommittee regarding the proposed funding of an editor for the Division of Administrative Rules.

Executive Director D'Arcy Dixon Pignanelli, Department of Administrative Services, stated her support for this motion. She said that this would help the division to streamline the work they do. The editor would be a temporary employee funded with one-time money, and results would be recorded and analyzed for efficiencies noted and reported to CFAS next year.

The motion passed unanimously with Rep. Morley absent for the vote.

MOTION: Rep. Goodfellow moved to add to the priority list funding for an editor for the Division of Administrative Rules of \$55,000 in one-time money.

The motion passed unanimously with Rep. Morley absent for the vote.

Ms. Pignanelli reviewed each priority item on the list and explained the reasoning behind them. David Hart, Executive Director, Capitol Preservation Board, discussed each priority for his agency.

MOTION: Rep. Goodfellow moved to reallocate funding within the Subcommittee's base budget as follows:

Ongoing Funds:

Office of Child Welfare Parental Defense: (\$239,000)
Capitol Preservation Board -- Secretary: \$35,100
Capitol Preservation Board -- Wireless Internet Hot Sports: \$20,000
Finance -- Actuarial Study of Post Employment Benefits: \$25,000
AGRC -- Transition from ISF to Appropriated: \$58,900
Parental Defense Contract: \$100,000

One-Time Funds

Risk Management Contributed Capital: (\$65,900)
Rules -- Temporary Editor: \$65,900

Jonathan Ball, Technology Analyst, explained that regarding AGRC, reduced rates could be considered as an offset to this funding. The rate impact would be \$300,000; and if funded through ISF, there would be \$75,000 remaining.

Mr. Allred said that as a result of this offset funding, AGRC funding at \$225,000 could be removed from the list.

SUBSTITUTE MOTION: Pres. Valentine moved to remove from the priority list funding for AGRC's transition from ISF in the amount of \$225,000.

The substitute motion passed unanimously.

MOTION: Rep. Goodfellow moved to reallocate funding within the Subcommittee's base budget as follows:

Ongoing Funds:

Office of Child Welfare Parental Defense: (\$239,000)
Capitol Preservation Board -- Secretary: \$35,100
Capitol Preservation Board -- Wireless Internet Hot Sports: \$20,000
Finance -- Actuarial Study of Post Employment Benefits: \$25,000
Parental Defense Contract: \$158,900

SUBSTITUTE MOTION: Rep. Harper moved to accept Rep. Goodfellow's motion with a change in the funding of the Parental Defense Contract to \$125,000 and reallocating \$33,900 for Capitol Hill O&M in FY2006.

The substitute motion passed unanimously.

MOTION: Rep. Goodfellow moved to reallocate funding within the Subcommittee's base budget as follows:

One-Time Funds

Risk Management Contributed Capital: (\$65,900)
Rules -- Temporary Editor: \$55,000
Archives -- Digitize Collections: \$10,900

The motion passed unanimously.

MOTION: Rep. Becker moved to recommend to the Executive Appropriations Committee one-time funding of \$6,000,000 in FY2005 and on-going funding of \$3,000,000 in FY 2006 for the LeRay McAllister Fund.

The motion passed with Rep. Morley voting against the motion.

Rep. Becker and Pres. Valentine declared a conflict of interest.

Rep. Clark declared a conflict of interest regarding the Capitol Restoration Project.

MOTION: Co-Chair Buxton moved to reprioritize the Subcommittee's list according to the same order previously presented but removing those items funded through base reallocations.

The motion passed unanimously.

MOTION: Co-Chair Hickman moved to reconsider the actions of the Subcommittee

regarding the Department of Natural Resources' proposed Lease/Purchase in Price.

The motion passed unanimously.

MOTION: Co-Chair Hickman moved to withdraw the intent language in connection with the Department of Natural Resources Price Region Office Lease/Purchase.

The motion passed with Sen. Dmitrich voting against the motion.

d. Prioritize Recommended State Funded Capital Developments

MOTION: Co-Chair Buxton moved to accept Proposal B on State-funded Capital Developments funding priorities, as outlined by the Analyst and attached to the minutes.

SUBSTITUTE MOTION: Co-Chair Hickman moved to accept Proposal B with the following change: add \$35,500 to the Bourns Building to fund the Percent for Art Program; place a reserve balance from the 2004 session unused Oxbow bond authority showing the difference between the \$4.2 million bonding authority and the \$3,585,500 for the Bourns Building.

The substitute motion passed with Reps. Clark and Morley voting against the motion.

Rep. Clark said he felt the Subcommittee was making a mistake in not providing funding for design on buildings prioritized 1 - 5 by both the Building Board and the Board of Regents. He suggested writing into the policy a provision for the funding to be decided in the first session after elections every two years, thereby only obligating the Subcommittee which would be made up of basically the same legislators. He feels a policy to provide for this planning should be written and accepted.

Co-Chair Hickman expressed his concern that type of funding would have the intent of obligating future Legislatures, that priorities change from year to year and that these lists are decided on an annual basis.

Co-Chair Buxton explained Proposal B and emphasized it contains no new bonding.

MOTION: Rep. Buxton moved to accept proposal B as amended.

The motion passed unanimously with Sen. Dmitrich absent for the vote.

Rep. Goodfellow stated for the record that this Subcommittee did not vote to bond this

year. The Bridgerland ATC Bourns Building had bonding authority from a previous year. He noted that \$64,000,000 in bonding will be paid off this year, so there is a decrease in bonding.

e. Office of Child Welfare Parental Defense

MOTION: Co-Chair Hickman moved to withdraw approval of funding the Office of Parental Defense Fund based on the actions of the Subcommittee today.

The motion passed unanimously with Sen. Dmitrich and Reps. Bowman and Clark absent for the vote.

f. ITS Internal Service Fund Budget and Fees

Mr. Ball presented the Information Technology Services Rates summary.

MOTION: Co-Chair Buxton moved to approve the Information Technology Services Rates.

SUBSTITUTE MOTION: Rep. Goodfellow moved to change the Voice monthly Service (per dial tone) per month under Telecommunication Charges from \$25.50 to \$28.50.

The substitute motion failed in the Senate with Sen. Knudson voting for the motion and Sen. Dmitrich absent for the vote.

The substitute motion passed with Rep. Goodfellow voting against the motion and Sen. Dmitrich absent for the vote.

Analyst Ball proposed non-lapsing capital outlay authority intent language for the Division of Information Technology service.

MOTION: Co-Chair Buxton moved to approve the following intent language:

The Legislature intends that, under the terms and conditions of Utah Code Annotated 63-38-8.2, \$1,347,000 in capital outlay authority granted to the Division of Information Technology Services for Fiscal Year 2005 shall not lapse. The Legislature intends that this authority will be used for the following projects: Campus Network Expansion; Intrusion Protection System; Microwave Expansion; RACF/UMD

Integration; WAN Access Upgrades; WAN Distribution Upgrades.

The motion passed unanimously with Sen. Dmitrich absent for the vote.

4. Other Business

MOTION: Rep. Clark moved to include in the policies of this Subcommittee to recommend to the Executive Appropriations Committee that consideration is given to providing a policy allowing design money for a one-year window for proposals in the 1 - 5 ranking by the Building Board and the Board of Regents.

Co-Chair Buxton said it would be appropriate for entities to pay their own design costs.

SUBSTITUTE MOTION: Rep. Goodfellow moved to approve the funding for the Utah Valley State College Digital Learning Center design costs of \$1,400,000, contingent upon the actions of the Executive Appropriations Committee in restoring \$1,075,000 in General Funds to the Division of Facilities Construction and Management.

The substitute motion passed with Rep. Harper voting against the motion and Sen. Dmitrich absent for the vote.

Co-Chair Hickman expressed appreciation to all Subcommittee members for their service and to the agencies' leadership for their participation.

MOTION: Rep. Bowman moved to adjourn.

The meeting was adjourned at 4:20 p.m. by Co-Chair Buxton.

The minutes were reported by Bonnie Brinton.

Sen. Bill Hickman
Committee Co-Chair

Rep. D. Gregg Buxton
Committee Co-Chair

Subcommittee Recommendations for "Other" Funded Capital Devel Projects

BB	BOR	Agency/Institution	Description	State Funds	Subcommittee Method	Funding Source	O&M Impact
		DABC	Downtown SLC Wine Store	\$3,221,000	SBOA LR Bond	Increased Revenues	\$42,000
		DABC	Additional St George Store	\$2,323,000	SBOA LR Bond	Increased Revenues	\$35,000
		DABC	Additional SW SL County Store	\$2,323,000	SBOA LR Bond	Increased Revenues	\$35,000
		Corrections/Snow	CUCF Education Area Expand	\$2,263,000	Public/Private	Contributions	\$48,300
		Courts	West Valley Courthouse Acq	\$0	Accum Equity	Lease Agreement	\$0
		DNR	Logan Fish Experiment Stn Bldg	\$938,000	DWR	Restricted Funds	\$0
		UCAT-Mountainland	Southern Utah Co. Lease/Purch	\$3,250,000	Lease/Purchase	MATC Funds	\$0
		UDOT	Vernal Maintenance Complex	\$1,457,000	UDOT	Trans Fund/Land Sale	\$0
		Univ of Utah	U. Hospital Expansion*	\$87,500,000	\$42M Rev Bond	Foundation/Ops	\$0
		Univ of Utah	Social Work Bldg Addition	\$3,500,000	UofU	U. Funds/Donors	\$83,000
		Univ of Utah	Humanities Bldg Phase I	\$11,100,000	UofU	U. Funds/Donors	\$264,200
		Utah National Guard	85th CST Readiness Ctr	\$2,068,000	UNG	Federal Funds	\$34,000
		Utah National Guard	Joint Forces HQ Addition	\$1,460,000	UNG	Federal Funds	\$12,500
		Utah National Guard	19th Spec Forces Armory Add	\$1,500,000	UNG	Federal Funds	\$12,500
		Utah National Guard	117th Util Det/120th QM Det	\$1,500,000	UNG	Federal Funds	\$20,900
		Weber State Univ	Shepherd Union Bldg Renov	\$20,000,000	Revenue Bond	Student Fees	\$0
		Snow College	Replace Football Stadium	\$5,000,000	Snow College	Donations	\$0
Total				\$149,403,000	\$42	\$0	

* Note

1. The U. Hospital Expansion will be funded from multiple sources:

- \$32 million from the University Hospital Foundation
- \$42 million from a revenue bond
- \$13.5 million from Hospital Operations